

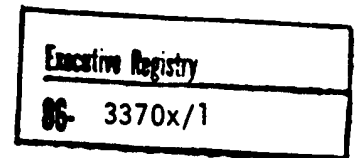
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## United States Senate

SELECT COMMITTEE ON INTELLIGENCE  
WASHINGTON, DC 20510



#86-3369A

September 18, 1986

The Honorable William J. Casey  
Director of Central Intelligence  
Central Intelligence Agency  
Washington, D.C. 20505

Dear Bill:

We request you or your representative to appear before the Senate Select Committee on Intelligence on Thursday, October 2nd, at 4:00 p.m. in SH-219, to discuss its request for an analysis and concept for an estimate of Soviet policy options in the 1990's.

John Despres, on the staff of the SSCI, will be making necessary arrangements and answering any questions you or your staff may have in preparing for this hearing.

Sincerely,

  
Dave Durenberger  
Chairman

  
Patrick Leahy  
Vice Chairman

Enclosure

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86-2700

# United States Senate

SELECT COMMITTEE ON INTELLIGENCE  
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July 23, 1986

Executive Registry
65- 3370X

The Honorable William J. Casey  
Director of Central Intelligence  
Central Intelligence Agency  
Washington, D.C. 20505

Dear Bill:

Last June, the Reagan Administration announced that, henceforth, U.S. strategic deployments would be decided on the basis of U.S. security needs, without regard as to whether these deployments exceeded the limits of the 1979 SALT II agreement.

This summer and autumn, the Senate may vote on whether to restrict the obligation of funds for certain U.S. forces which, if deployed, would exceed some of the sub-limits of the SALT II agreement. It may also vote on whether to urge the President to continue complying with SALT II. Additional Senate actions may be considered in the course of the defense and intelligence review for FY 1988.

Similarly, arms control talks between the Soviet Union and the United States are likely to continue in the areas of strategic, intermediate, nuclear, space-based, and defensive weapons. The prospects for these negotiations are uncertain, and will probably remain uncertain even when the Senate will have to decide next year how much money to spend on defense, what programs to maintain, and how to develop its position on arms control.

The Soviet Union has a range of options it could pursue in response to this decision by the President and the potential actions on strategic issues by Congress. The Members of the Senate require an intelligence analysis that will enable them to judge how the Soviet Union is most likely to respond.

The Senate Select Committee on Intelligence, in fulfillment of its responsibility under S.Res. 400 to ensure that U.S. officials in both the Executive and Legislative branches are provided with the intelligence they require, requests the Intelligence Community to provide the Senate with such an analysis. This request has been coordinated with and is endorsed by the Foreign Relations and Armed Services Committees, who have participated in its drafting.

The analysis furnished the Senate should identify the range of responses that could be expected by the Soviets in such areas as:



119-70

The Honorable William J. Casey  
Page Two  
July 23, 1986

- o Strategic, intermediate range, and general purpose force deployments;
- o Military research and development;
- o Capital investment and material incentives for economic growth;
- o Participation in arms control and other diplomatic discussions;
- o Politico-military initiatives and military operations abroad;
- o Relations with Warsaw Pact and Western European countries; and
- o Any other area determined to be significant.

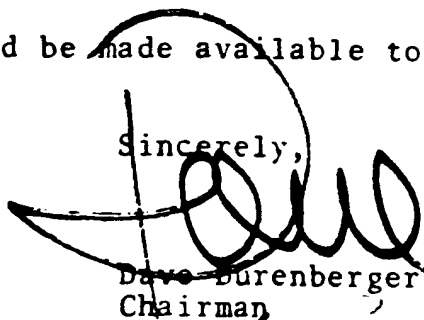
The analysis should identify the constraints that limit Soviet responses and potential compromises or tradeoffs they could make among competing priorities to respond to U.S. decisions in an optimal way.

It should also describe the political factors that would lead the Soviets to adopt one set of policies over another, given the constraints identified in the preceeding section. There will be a range of uncertainty in these options. The analysis should point out what the principle uncertainties are and how/what is necessary to close these gaps. Both of these sections should contain, and explain fully, contending views within the Intelligence Community.

The Honorable William J. Casey  
Page Three  
July 23, 1986

This analysis should be made available to the Congress by  
February 1, 1987.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read "Dave Burenberger". The signature is written over the printed name and title.

Dave Burenberger  
Chairman

A small, handwritten signature in black ink, appearing to read "Patrick Leahy". The signature is written over the printed name and title.

Patrick Leahy  
Vice Chairman

CONCEPT FOR AN ESTIMATE OF  
SOVIET POLICY OPTIONS IN THE 1990'S

To anticipate the challenges for U.S. policy toward the Soviet Union in the 1990's, the 100th Congress needs a comprehensive estimate of the alternative strategic courses and key policy choices that Soviet leaders will confront within the next few years. This estimate should fully portray the future as Soviet leaders are likely to see it. It should accordingly focus on the prospects for the Soviet Union through the turn of the century, particularly about the year 1995.

This estimate should have two objectives, both designed to project the role of the U.S. in the evolving views and interests of General Secretary Gorbachev, his principal advisors, and his prospective successors.

First, the estimate should portray the future that Soviet leaders anticipate. How does the Soviet leadership see the next 15 years? What course do they believe U.S. foreign policy will follow and how do they expect that course to impinge on the USSR? How do they expect the balance of economic, political, and military power between the two superpowers to evolve? Given these expectations, what risks, opportunities -- and choices -- do they foresee confronting Soviet foreign policy?

-2-

Second, the estimate should match the expectations of the Soviet leadership against the Intelligence Community's judgment of what the world will be like. In what respects are the expectations of the Soviet leadership likely to be confounded or fulfilled? In those instances where reality is likely to diverge from Moscow's expectations, what further options will confront Soviet leaders? What policy decisions by the U.S. will have the greatest impact on choices facing the USSR?

In short, the goal is to provide policymakers with an understanding of how the Soviet leadership views the future and to what extent reality will confirm or contradict those expectations and with what consequences.

Interested lawmakers will presumably receive an updated edition of Soviet Military Power and more specialized assessments of trends and developments in the Soviet Union to inform their consideration of a wide variety of issues related to U.S.-S.U. competition. Still, the Administration has no plans to produce an overall estimate of the Soviet Union that lawmakers will need to understand the future context for the programs and policies that they will be legislating during the 100th Congress. This is a serious deficiency because they will be making important decisions with long-term implications. Moreover, based on testimony to the SSCI by State and Defense Department officials and other experts on U.S. requirements

-3-

for intelligence on the Soviet Union, the Executive branch also needs an overall projection and assessment of Soviet politico-economic choices.

The Congress will have to decide on the scale of U.S. defense programs and direction of national security policies that will affect America's ability to compete with Soviet power in the 1990's. Aside from considering possible arms control measures, it will authorize and appropriate funds for defense, intelligence, foreign aid, and other international security programs for two fiscal years, through 1989. These programs will, in turn, begin to implement longer term plans and create the initial conditions for U.S. defense and foreign policies in the 1990's.

The Soviet Union, at the same time, will be adapting its own military and international programs to the changing conditions it encounters both in its domestic economy and in its foreign environment. Some of these changes are quite predictable, e.g., an aging stock of capital; birth, morbidity, and mortality rates; recurrent tensions and malaise in Eastern Europe; the spread of new communications, computing, and copying technologies; increasingly difficult trade-offs between near-term military strength and modernization, on the one hand, and long-term economic growth and productivity, on the other; continuing conflicts in the third world; and emerging new economic powers in Western Europe and Northeast

-4-

Asia. Others may be less certain or undecided, e.g., increments to readily exploitable natural resources; new patterns of internal migration; political dissidence and repression; controls on the uses of new technology; political choices to alter the allocation of available resources between unproductive military and security programs, on the one hand, and productive capital formation and returns to labor, on the other; new outbreaks or outcomes of conflicts in the third world; and the evolution of competitive military forces in Western Europe and Northeast Asia.

What are the main alternatives that Soviet policy planners are likely to perceive as they approach the 1990's? How will they project conditions in 1995? Assuming that the results of General Secretary Gorbachev's first few years of initiatives are disappointing, will he attempt to pursue a more promising but potentially disruptive program of radical reform or resource reallocation? If so, what are the international security conditions and policy implications of such intensified efforts to restructure and revitalize the Soviet economy? Who is most likely to be the leading advocate, among Gorbachev's advisors, of a fundamental shift in the methods or priorities of Soviet economic management? How will he assess the results of ongoing economic reforms in China? What case is he likely to make and press more effectively if the Soviet economy fails to respond adequately to Gorbachev's

-5-

initial reforms? How would his policy prescriptions affect the Soviet system of political controls and the allocation of resources to military and international programs? What alternative views and interests would be asserted by advocates of the Armed Forces and security services? Would economic planners and reformers expect more relief or support from freer access to foreign trade, investment, and technology?

These are among the key questions that U.S. legislators will be interested in understanding as they begin to decide on the size and contents of U.S. national security programs during the 1990's.